

Realization Committee

Meeting notes: July 28, 2010

Committee Members Present:

Commissioner Kreidler, Sean Corry, Sue Sharpe, Senator Keiser, Roberta Riley, Todd Holm, Roslyn Solomon, Jennifer Allen, Michael Vanderlinde, Howard Springer, Carole Butkus, Carlos Olivares (phone).

Staff: Barb Flye, Candi Rachevich, Stephanie Marquis (for beginning)

Welcome

Sean called the meeting to order at 1:15pm. Commissioner, Sean and Sue made welcoming and introductory comments.

Introductions around the room were made.

Commissioner spoke about the decision to evolve the Realization Committee to a sole focus on exchanges and insurance reforms, the intended collaboration with other tables, including the JSC, and its ability to present recommendations to the legislature (thru the JSC), the Governor through the HC Cabinet, and the NAIC and HHS. It will be a value added process.

Agenda & goals of the meeting

Barb (OIC) gave an overview to the meeting agenda and goals:

- 1) Get everyone up to speed and on the same page regarding exchanges and the ACA
- 2) Begin policy discussions on the creation of a WA exchange
- 3) Determine the best way forward to structure the committee's work

Update on PCIP

Stephanie (OIC) gave brief update on the Pre-existing Condition Insurance Plan (PCIP) and a Q & A followed (see meeting materials and OIC website).

Primer on exchanges and the ACA

Barb made a PPT presentation on exchanges, followed by a Q & A session (see meeting materials).

Brief on the HIP

Beth Walter (HCA/HIP) made a PPT presentation on the Health Insurance Partnership (HIP), followed by a Q & A session. Shared their lessons learned:

- Consider unintended consequences
- Don't be afraid to make decisions and move forward—it is a new area

- Be willing to revisit decisions and evaluate, modifying if it makes sense
- Stakeholder work important, in particular across public and private sectors to make it work
- Open public process

Group discussion on purpose of exchange

Barb facilitated a group brainstorming discussion about the purpose or goals of a Washington exchange. The following topics were raised through the discussion:

- ✚ Reigning in costs—bending the cost curve
- ✚ Deciding what a standard health care plan looks like
- ✚ Develop an ideal package to meet people's needs
- ✚ Goal – guard against adverse selection
- ✚ Focus on wellness
- ✚ Offer meaningful, easy to read comparisons of available coverage (i.e. Expedia)
- ✚ Address rural & urban areas—rural areas often have less choice
- ✚ Publicly accountable
- ✚ Attracting customers
- ✚ Effective
- ✚ Sustainable
- ✚ Effective marketing
- ✚ Foundational—you can build upon it (expand to other markets, states)
- ✚ Sensitive to the marketplace
- ✚ Considering who it attracts vs. the outside market
- ✚ Strong and similar regulatory structure outside/inside the exchange
- ✚ Benefit structure—including consideration of WA mandates
- ✚ Provider Reimbursement
- ✚ Payment and delivery reform
- ✚ Assist consumers with choosing plans: a live person consumers can speak with if need be
- ✚ Affordability of premiums v. affordability of care
- ✚ Ability to anticipate unintended consequences
- ✚ Meaningful consumer assistance
- ✚ Governance--consumer driven
- ✚ Analysis of what combining the markets will mean
- ✚ Spreading the risk as broadly as possible
- ✚ Portability—allowing employees of small businesses to port their coverage more easily from job to job
- ✚ Able to assist consumers in employer transitions
- ✚ Ability to serve part-time intermittent workers
- ✚ Ability to combine premium contributions from multiple employers
- ✚ Transparent process and information
- ✚ Ability to address short term challenges but ability to think long term
- ✚ Policies to address health disparities – gender, race, immigration status

- ✚ Relationship with state
- ✚ Admin simplification
- ✚ Efficient—efficiently run & drive efficiency through the system
- ✚ Regulation to promote competition on quality and service, as opposed to avoiding risk

It was commented that some bullets on the above list could conflict with others, i.e. if regulations in the exchange – such as conditions placed on the plans offered – were more stringent than outside the exchange, adverse selection could result.

Commissioner Kreidler, Sean, Sue and Barb met during a meeting break to determine how to proceed.

A summarized list of topic areas related to the above discussion was developed and approved by the committee:

- Adverse selection
- Choice without complexity
- Transparency/Accountability
- Governance
- Administrative costs/efficiency
- Sustainability for the exchange itself & HC reform
- Regulatory authority
- Delivery and payment reforms

With the exception of the delivery and payment reforms, the group thought that for the most part the narrowed down list was encompassed in two areas for further exploration: adverse selection and governance. Some committee members felt that delivery and payment reform was a critical element of health care reform and should be addressed through the exchanges in some way if allowed by HHS. Everyone agreed delivery and payment reform was important and even critical, but many felt the exchange conversations for the Committee needed to focus on other areas given the OIC's expertise and recognize that other tables could take up areas we, based on capacity and complexity of the issue cannot at this time.

Next steps:

As a result of a vibrant discussion on what the purpose of Washington's exchange should be, the group decided to create two small workgroups to delve deeper into the issues related to 1) guarding against adverse selection; and 2) governance.

1) Guarding against adverse selection

Goal (taken from elements of our discussion):

Establish a healthy marketplace for insurers, consumers and providers both inside and outside of the exchange.

Beginning list of questions to address:

- What is the regulatory framework for inside the exchange?

- What is the regulatory framework for outside the exchange?
- Development of risk adjustment tools
- Plan choice without complexity
- Qualifying health plans: how do carriers get that distinction in order to sell essential health benefit packages in the exchange? What are the impacts on the market with these distinctions with those plans outside the exchange?
- BHP and the exchange: which serves the population between 133-200% FPL?
- Rural
- Should the state do one exchange that includes individual and small group markets or 2 separate ones?
- Should the state combine the individual and small group markets for pooling purposes?
- Should the state establish a regional exchange? Subsidiary exchanges?
- Ensuring the exchange achieves a critical mass, of consumers, carriers, and plans.
- Impact of self-insured marketplace (which do not have to meet the same requirements).
- Should the state define small group at 1-100 in advance of the ACA requirement ()?
- What marketing rules should apply in each market?

2) Governance

Goal (taken from elements of our discussion):

Create a publicly accountable, politically insulated, administratively efficient governing structure that is able to operate an exchange that attracts and serves consumers well.

Beginning list of questions to address:

- Should the exchange be operated statewide, regionally, or at the federal level?
- Where will the exchange be housed (existing state agency, new state agency, private non-profit) and what are the advantages of each and what might a combined effort look like?
- What would the make up of an exchange governing board look like?
- What kinds of decisions/powers would the governing board make?

Upcoming meetings of the Committee

It was decided to have the full committee meet every other month (2 more before the end of 2010), and have the two designated workgroups meet in between to bring information and thoughts to the full committee for discussion. Barb will be in touch with those that volunteered for one or the other workgroups and touch bases with committee members not present to see if they would like to serve on a workgroup. Barb cautioned the committee members to consider the work and commitments involved and choose between workgroups instead of trying to serve on both.

Howard with CHPW offered the use of their video conferencing room in downtown Seattle to enable those that cannot make the meeting in person a more engaged way to interact. Howard will get back to Barb with potential dates and then Barb will send out a meeting scheduling tool.

Public Comment was opened by the Commissioner

Sofia Aragon from WSNA, was glad to see that health and health disparities were addressed as goals of the exchange and could be addressed by what is included in the products offered in the exchange.

Meeting adjourned

Commissioner Kreidler made closing comments, thanking the committee for their commitment and a special thank you to Sue and Sean for co-chairing the effort. Meeting adjourned at 4:45pm.